

1 BEFORE THE ENERGY RESOURCES CONSERVATION AND
2 DEVELOPMENT COMMISSION
3 OF THE STATE OF CALIFORNIA

4 APPLICATION FOR CERTIFICATION)
5) OF THE
6 LARKSPUR ENERGY FACILITY) Docket No. 01-EP-1
7 BY WILDFLOWER ENERGY LP) (March 16, 2001)
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 INFORMATIONAL HEARING
 Chula Vista Public Service Building
 Council Chambers
276 Fourth Avenue, Chula Vista, California

Taken on Thursday, March 22, 2001
At 5:30 O'Clock P.M.

Before Janet B. White, Certified Realtime Reporter

CSR No. 1879

PAGES 1-68

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COMMITTEE MEMBERS PRESENT

Robert Pernell, Commissioner, Presiding Member
Ellie Townsend-Smith, Commissioner Adviser
Tom Cleary, Public Adviser
Joyce A. Wharton, Hearing Officer

APPLICANT

John P. Jones
Mark O. Turner
Mike Evans

STAFF PRESENT

Bob Eller
Roger Johnson

INTERVENORS

Stephen Haas, City of San Diego
Michael Lake, County of San Diego
Willie M. Gaters, City of Chula Vista

1	I N D E X	PAGE
2	Opening Comments and Introductions	4
3	Presentation by Applicant	13
4	Public Adviser Comments	35
5	Public Questions	38
6	Public Comments	49
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 P R O C E E D I N G S

2 PRESIDING MEMBER PERNELL: Okay. On the
3 record, please.

4 Good evening. This is an informational
5 hearing conducted by a Committee of the California
6 Energy Commission on the proposed Larkspur Energy
7 Facility.

8 The Energy Commission has assigned a
9 Committee of one to conduct these proceedings, and
10 before we begin, I would like to introduce the dais.

11 To my right is my Advisor, Ellie
12 Townsend-Smith. To my left is the Hearing Officer,
13 Joyce Wharton. And my name is Robert Pernell. I'll
14 be the Commissioner presiding over these
15 proceedings.

16 Wildflower Energy filed an Application with
17 the Energy Commission to obtain a license to build
18 and operate the Larkspur Energy Facility, a proposed
19 power plant facility near the City of San Diego.

20 The purpose of today's hearing is to provide
21 information about the proposed power plant and to
22 describe the Commission's licensing process and
23 reviewing the application.

24 The proposed Larkspur Energy Facility has
25 applied to the Energy Commission emergency siting

1 process to help meet this summer's electricity
2 needs.

3 The goal of the emergency process is to
4 license power plants that can be on line by September
5 30th, 2001, without sacrificing the Public Health and
6 Safety or California's environment.

7 Now I'll have the parties introduce
8 themselves for the record starting with the
9 Applicant.

10 MR. JONES: My name is John Jones -- I'm
11 sorry.

12 PRESIDING MEMBER PERNELL: Please come to
13 the mike, state your name and your team, if you have
14 any other people here that will be representing the
15 Applicant.

16 MR. JONES: My name is John Jones with
17 InterGen. We're the Applicant and the Project
18 Manager for the Larkspur Facility.

19 With me I have Mark Turner, who is also with
20 InterGen. And I have Mike --

21 PRESIDING MEMBER PERNELL: We're not getting
22 that. We didn't get the second name.

23 MR. JONES: Excuse me?

24 PRESIDING MEMBER PERNELL: We didn't get the
25 second name.

1 MR. JONES: Okay. It is Mark Turner.

2 And the third one is Mike Evans, with Coral
3 Power, one of our affiliates. He has also been a
4 part of the project team.

5 If it's all right, if we have technical
6 questions that come up, we have a number of our
7 consultants here, who will probably not be called
8 upon, but perhaps we can give their names, if I need
9 them to, to respond to some of the questions that may
10 come up.

11 PRESIDING MEMBER PERNELL: At that time, we
12 can, and they will state their name for the record --

13 MR. JONES: Very good.

14 PRESIDING MEMBER PERNELL: -- If needed.
15 Staff, please.

16 MR. ELLER: Good evening, Commissioner. Bob
17 Eller, Project Manager for staff.

18 With me this evening is Roger Johnson, City
19 Office Manager.

20 PRESIDING MEMBER PERNELL: Thank you. From
21 the Intervenor agencies, the City of San Diego.

22 MR. HAAS: Good evening, Commissioner. I'm
23 Stephen Haas with the City of San Diego. We've been
24 asked by the CEC to act as the local authority with
25 respect to building code requirements and other laws,

1 ordinances, and regulations that are local in nature.

2 If you have any questions, I'll be here to
3 answer those.

4 PRESIDING MEMBER PERNELL: Thank you.

5 The County of San Diego.

6 MR. LAKE: Good evening. I'm Michael Lake.

7 I'm with the County of San Diego, Air Pollution
8 Control District.

9 PRESIDING MEMBER PERNELL: Thank you.
10 California Environmental Protection Agency.

11 MR. STRYKER: I'm Gerri Stryker with the
12 California Environmental Protection Agency, under the
13 California Governor's screening team.

14 PRESIDING MEMBER PERNELL: Thank you. The
15 local air district. Oh, okay. I'm sorry.

16 Is there anyone from the ISO, anyone else
17 that wishes to -- I'm sorry -- anyone else that
18 wishes to be intervenors?

19 MR. GATERS: Willie Gaters, City of Chula
20 Vista, Environmental Resource Manager with the City
21 Manager's Office.

22 PRESIDING MEMBER PERNELL: Thank you.

23 HEARING OFFICER WHARTON: I'm sorry; could I
24 have your last name again?

25 MR. GATERS: Gaters, G-A-T-E-R-S.

1 MR. STEWART: Commissioner, could you define
2 intervenor? My name is William Stewart.

3 PRESIDING MEMBER PERNELL: I'm sorry. The
4 question was can I define intervenor.

5 An intervenor is anyone who would want to
6 intervene in the case -- in the proceedings. It
7 doesn't necessarily mean that. If you are a
8 community that wants a community representative that
9 wants to speak to the issue, you will still have an
10 opportunity to do that. You can also be an intervenor
11 as a community representative, so the choice is
12 yours.

13 Intervenors, in a normal case, would get to
14 the cross-examine some of the witnesses; however,
15 we're not doing that in this case because it is an
16 expedited emergency siting situation. But everyone
17 here will have an opportunity to be heard.

18 MR. STEWART: Okay.

19 PRESIDING MEMBER PERNELL: Okay. And also,
20 for the record, because of the emergency siting
21 procedure, we're not accepting intervenors -- or
22 intervenor comments, but we are accepting comments
23 from the public, so, again, I want to emphasize that
24 we want everyone to be heard, but because this is an
25 expedited process, we're not accepting intervenors.

1 We also have the Public Adviser. Would you
2 just come up to the mike and state your name for the
3 record.

4 MR. CLEARY: Commissioner, my name is Tom
5 Cleary, and I'm representing the Public Adviser,
6 Roberta Mendonca, and those of you who have not
7 already, who have questions, please fill out these
8 blue cards. We'll be happy to hand them out to you.

9 Also, if you have an opportunity, please
10 sign in to our sign-in sheet for future
11 notifications, and if I can answer any questions or
12 help facilitate any questions tonight or in the
13 following days, please feel free to talk to me.

14 Thank you.

15 PRESIDING MEMBER PERNELL: Thank you.

16 This hearing will begin with a presentation
17 from the project developer, then we will ask the
18 Commissioner staff to provide their initial review of
19 the project.

20 Staff will be doing what we call a fatal
21 flaw analysis, which tries to determine if there are
22 any reasons that, even in these emergency conditions,
23 this plant should not be permitted under this
24 abbreviated process.

25 After staff presentation, we will have a

1 break, and we'll also be distributing the cards that
2 the Public Adviser has just shown you, and at that
3 time, we encourage you to talk to the Applicant and
4 staff, if you have any questions that you can do off
5 line that would help you formulate your written
6 questions.

7 Also, you can fill out a blue card if you
8 just want to speak to the Committee without having
9 questions.

10 We will try and facilitate all of the
11 questions, and so I would ask that you put your name
12 and address on the card, and if we don't have an
13 answer, we will certainly get you one back in the
14 mail.

15 After the break, we would then -- after the
16 break, we will ask them to address the questions, so,
17 to answer the question, the Public Adviser will
18 assist members of the public with their questions and
19 comments.

20 And at this time, I would turn the hearing
21 over to our Hearing Officer, Ms. Wharton.

22 HEARING OFFICER WHARTON: Thank you,
23 Commissioner.

24 Before we start with the Applicant's
25 presentation, I understand that Mr. Thornburgh, who

1 is a landlord, has an emergency situation where he
2 has to leave. And you would like to make a brief
3 comment, Mr. Thornburgh; is that correct?

4 MR. THORNBURGH: Thank you.

5 HEARING OFFICER WHARTON: If you would
6 please come up to the microphone. And your name is
7 Brad T. Thornburgh, T-H-O-R-N-B-U-R-G-H?

8 MR. THORNBURGH: Yes, although should I be
9 this way, or -- I'm not quite sure.

10 HEARING OFFICER WHARTON: Just move that
11 toward you. Good. It works.

12 MR. THORNBURGH: My name is Brad T.
13 Thornburgh, and I represent CIF Holdings, LP, and we
14 are the property owner where the project is going.
15 We've owned the property, which includes
16 approximately 50 acres, in that industrial area of
17 San Diego for approximately ten years.

18 And during this time, we have watched Otay
19 Mesa grow, and although recently it has grown very
20 fast, the energy crisis has provided a potential
21 obstacle to that growth.

22 We have approximately 600,000 square feet of
23 potential manufacturing capacity at that site, with
24 all of the attendant employees, and it is in an
25 enterprise zone, so we are hoping that we can build

1 the type of plant that we're looking at to maximize
2 the property usage in that zone.

3 In our brief experience with InterGen, they
4 have been very professional, very forthcoming, very
5 flexible, and so it's been a pleasure. They have
6 been very impressive, and I think they truly care
7 about the job that they are going to do.

8 I guess my primary comment here is that we
9 hope that this project does go through for the sake
10 of Otay Mesa so that we do have the capability to
11 provide power to the area and continue to grow that
12 we have down in that area.

13 That's all I have to say at the time.

14 HEARING OFFICER WHARTON: Thank you, Mr.
15 Thornburgh.

16 PRESIDING MEMBER PERNELL: One question:
17 You're the property owner at the site which you say
18 is on 50 acres?

19 MR. THORNBURGH: Yes.

20 PRESIDING MEMBER PERNELL: And that's the
21 property that the proposed site will be on?

22 MR. THORNBURGH: Well, we have several
23 parcels there. They're all contiguous. The site
24 itself is the site that InterGen is leasing, which is
25 eight acres.

1 PRESIDING MEMBER PERNELL: Okay.

2 MR. THORNBURGH: And so we have adjoining
3 property to it, where we have plans for a large
4 manufacturing facility.

5 And this would further, in our opinion, the
6 probability that we'll have an opportunity to get
7 into that building, given that there will be power
8 there in the area, so we see it as a very positive
9 move.

10 PRESIDING MEMBER PERNELL: Thank you.

11 HEARING OFFICER WHARTON: Thank you, Mr.
12 Thornburgh.

13 Mr. Jones, we'll hear from the Applicant
14 now.

15 And can I ask you, just to clarify for
16 everybody and for me also, you are representing
17 InterGen, the project, and also referred to is, I
18 believe, Coral and Wildflower Energy, and several
19 various entities.

20 Could you explain how these all relate?

21 MR. JONES: I sure could.

22 First of all, I would like to thank you all
23 for the opportunity to present this both to you all
24 as well as the public, and look forward to responding
25 to all the questions that are likely to pop up

1 regarding this project.

2 As far as the structure of the project
3 company, first of all, let me tell you a little bit
4 about InterGen.

5 InterGen is a -- is a company that's been
6 involved in the development of power projects around
7 the world for a number of years, and, in the last two
8 years, has been active in the development of many
9 predominantly gas-powered plants in North America.

10 The Wildflower project is wholly owned by
11 InterGen. It is a separate project entity that is
12 set up, like most power projects are, just for the
13 purposes of financing. So it's a wholly-owned
14 company by InterGen.

15 Coral Power is an affiliate of InterGen. It
16 is also owned predominantly by Shell. Coral is owned
17 70 percent by Shell and 30 percent by InterGen.

18 Coral Power responded to the California
19 ISO's request for bids for energy contracts late last
20 year.

21 As part of fulfilling those contracts, Coral
22 Power began the development of these projects late
23 last year and, at the turn of the year, we took over
24 responsibility for that development.

25 Does that --

1 HEARING OFFICER WHARTON: Thank you.

2 MR. JONES: Very good. So InterGen has
3 been involved in the development of these projects,
4 and originally, these were five separate projects,
5 based on the need to get the projects up and running
6 for the summer to address the electricity crisis.

7 Recently the Governor came out with an order
8 indicating an expedited process for permitting for
9 those projects that could get on line for the
10 summer.

11 We felt that we could reconfigure the five
12 projects that we had originally planned onto two
13 sites, one of which is the Larkspur Energy Facility,
14 which is the one we are presenting to you today.

15 As a result of that, we've submitted an
16 application for the 21-day emergency approval
17 process.

18 And one thing that I would like to make
19 clear now, and I'll continue to make clear throughout
20 the presentation, even though this is an expedited
21 process, we don't view this as an opportunity to
22 sidestep our environmental responsibility. We're
23 going to have our full environmental controls in this
24 summer, as we are for all the year subsequently; it
25 is just this process doesn't give us any shortcuts.

1 It just allows us the opportunity to get these
2 projects on line for the summer to help address the
3 crisis that California is facing.

4 A good number of you have been out to the
5 site. The site is out Otay Mesa Road, right next to
6 the San Diego Gas & Electric substation.

7 PRESIDING MEMBER PERNELL: For the record,
8 the Applicant is describing a site map.

9 Please continue.

10 HEARING OFFICER WHARTON: And for the
11 record, I will mark the small copy of the site map,
12 that the Commissioner and I have been provided, so
13 that it will remain with the record. I'll mark that
14 as Exhibit 1. All right?

15 MR. JONES: Okay. The project will be
16 located at the corner of Otay Mesa Road and Harvest
17 Road, right adjacent to San Diego Gas & Electric's
18 Substation, where it will be interconnected. It is
19 also right within 100 feet of the gas interconnection
20 and the water interconnection, so we've mitigated any
21 long interconnection runs or having to address those
22 sorts of concerns.

23 The project is going to be two LM6000, which
24 is an aero-derivative generating package, and so it
25 is like a jet engine, if you will, and it is going to

1 have SCR attaching to the end of it, and we are going
2 to control down to the levels prescribed for this
3 type of facility.

4 As you can see on the photo sim, the
5 project fits well within the environment. We've
6 planned a sound-deadening wall along the -- along
7 Otay Mesa Road, and have landscaping around it to
8 create a visual and sound buffer between the
9 surroundings and the project.

10 Additionally, the stacks, even though they
11 are configured with SCR's, are only 60 feet high and
12 fit well with the height of other structures in the
13 area, including the transmission lines and some of
14 the other things that are out there.

15 From the stack, there is not going to be any
16 visible plume, though occasionally we will have steam
17 from our cooling tower, on cool days, but that's --
18 it's steam, and it should evaporate. We have, you
19 know, very good dissipation of the steam from that --
20 from the cooling tower.

21 I know that the two big, or at least two,
22 major issues that you all would consider is what's
23 the impact on air quality, and what is the impact of
24 water consumption.

25 And that's where a project like this one,

1 where the Larkspur facility, really stands out. If
2 you -- when we look at air, looking at NOx emissions,
3 what you see on the left is a bar chart depicting
4 several different -- several different levels of
5 emission that you -- that you have in your
6 community.

7 The bar on the left is the Cabrillo Power
8 Peakers, which are the former San Diego Gas &
9 Electric peakers, which were sold to NRI and Dynergy,
10 which show the top of the scale of emissions of NOx
11 for amount of fuel that they burn.

12 The second bar is an LM6000, the technology
13 we are using, without SCR, and as you see, it is
14 roughly half of what the -- what other peakers in the
15 community emit.

16 Next to that you see the California State
17 average for all gas and oil power generation, so if
18 you looked at all the electricity that is created in
19 California by gas and oil, they emit roughly 40
20 percent of the level of Cabrillo peakers, and yet the
21 Larkspur Facility, with its controlled technology, is
22 roughly 10 percent of the overall emissions of the
23 Cabrillo Peaking Facility.

24 MS. TOWNSEND-SMITH: Ms. Townsend-Smith --
25 which ends up being what? What does it end up, the

1 parts per million?

2 MR. JONES: It's five parts per million.

3 MS. TOWNSEND-SMITH: Okay. Thank you.

4 MR. JONES: And again, we anticipate having
5 those controls in place when we -- when we turn the
6 plant on in July.

7 MS. TOWNSEND-JONES: What form of ammonia?

8 MR. JONES: It is aqueous ammonia, 92
9 percent.

10 PRESIDING MEMBER PERNELL: Please continue.

11 MR. JONES: Also another feature of the plan
12 will be using chillers which will use water to cool
13 the inlet air, making the plant more efficient.

14 The water consumption of the plant is going
15 to be 320 gallons per minute, which is, if you assume
16 the plant runs half the hours in a year, is roughly
17 25 percent of what a typical golf course would
18 consume.

19 So the water consumption is very minimal,
20 and we take great efforts to get the most out of the
21 water we do use.

22 HEARING OFFICER WHARTON: What does that
23 mean, running on 50 percent mode factor? Can you
24 explain that?

25 MR. JONES: Yes. This is an intermediate to

1 peaking facility. We expect it to only run -- normal
2 circumstances, it would only run during peak periods,
3 so a couple of thousand hours per year, perhaps.

4 During the current situation, with the
5 current shortage, we expect it to run quite a bit
6 more than that, and we filed our application for 5950
7 hours, which is the most it would run, and that's
8 what we would probably expect in the first two years,
9 based on the emergency that California is currently
10 facing.

11 So, with 50-percent load factor, that
12 assumes the project runs 50 percent of the hours, so
13 about 4500 hours a year.

14 And with that, that concludes my
15 presentation on the project.

16 PRESIDING MEMBER PERNELL: Okay. We have a
17 -- I have a couple questions.

18 HEARING OFFICER WHARTON: Go ahead.

19 PRESIDING MEMBER PERNELL: One is the
20 interconnection agreement. How is that progressing?

21 MR. JONES: It's progressing well. We've --
22 I believe we received both of our system impact
23 studies.

24 We had originally filed -- again, when we
25 were developing five sites, we filed a System Impact

1 Study for this site and then one for a site down the
2 road at the same time, a substation.

3 Mike Evans, have we received the second
4 impact system back?

5 MR. EVANS: Yes, we have.

6 MR. JONES: We received both of our System
7 Impact Studies, and we have -- we have executed the
8 expedited facility agreements for both.

9 MR. EVANS: We are --

10 PRESIDING MEMBER PERNELL: I'm sorry. You
11 are going to have to come forward. Just state your
12 name for the record, and --

13 MR. EVANS: Mike Evans, Coral Power. We
14 received both System Impact Studies. That would be
15 for Units 1 and 2. And we have requested an
16 expedited services agreement and are in the process
17 of negotiating that agreement with SDG&E.

18 PRESIDING MEMBER PERNELL: But that
19 agreement hasn't been completed with SDG&E?

20 MR. EVANS: We received the second System
21 Impact Study eight days ago, and four days ago, we
22 received the expedited service agreement from SDG&E.

23 PRESIDING MEMBER PERNELL: And not just
24 transmission, but natural gas? Do you think you will
25 have all of those agreements and the facilities ready

1 by July 15th?

2 MR. EVANS: SDG&E told us they will have the
3 gas interconnect ready for us on May 15th and that
4 their construction time will take 7 days. And they
5 will have their electrical interconnect ready for us
6 on June 4th. And they have procured the substation
7 breaker and disconnects and will have those mobilized
8 on the site on April 1st.

9 PRESIDING MEMBER PERNELL: Thank you.

10 HEARING OFFICER WHARTON: I have a question
11 about the length of the project; you know, the
12 thought that peaker plants would be operating at peak
13 periods and be approved under the expedited process
14 for a fairly short period of time or a short number
15 of years.

16 Your application is for a more permanent, it
17 sounds like, plant. Can you explain that?

18 MR. JONES: Yes, we can. Our interpretation
19 of the expedited process was that it was for projects
20 that could get on line this summer, though the
21 process was developed in response to the emergencies
22 that California is currently facing.

23 Again, we've put together proposals that
24 meet all of the criteria that would have been
25 necessary under a longer process, and we feel that

1 these are necessary projects for California and ones
2 that we have used in permanent projects.

3 HEARING OFFICER WHARTON: Okay. Thank you,
4 Mr. Jones.

5 PRESIDING MEMBER PERNELL: I just have one
6 other, and that's in relationship to -- to the fire
7 department and whether or not there is adequate fire
8 protection on the site.

9 Could you address that?

10 MR. HAAS: Stephen Haas with the City of San
11 Diego. I'm going from recollection right now. I
12 believe we do have a station at Brown Field, which is
13 the airport there, which is easily within the service
14 range. This project is in the service range of that
15 station.

16 PRESIDING MEMBER PERNELL: And the City is
17 comfortable with that?

18 MR. HAAS: Yes.

19 PRESIDING MEMBER PERNELL: Thank you.

20 MS. BARTSCH: My name is Krista Bartsch with
21 URS, consultant for the Applicant.

22 We have available here a letter from the
23 closest fire station I can locate here. Robert
24 Madden, who is the Fire Marshal, and he provided a
25 letter stating the support; that they could provide

1 fire service for the project.

2 PRESIDING MEMBER PERNELL: Thank you.

3 HEARING OFFICER WHARTON: Is that letter in
4 the application packet; do you know?

5 MS. BARTSCH: Yes, I believe it is. I have
6 it here if you would like to look at it.

7 PRESIDING MEMBER PERNELL: Anything else?

8 HEARING OFFICER WHARTON: No, not at this
9 time. Thank you, Mr. Jones.

10 PRESIDING MEMBER PERNELL: Okay.

11 HEARING OFFICER WHARTON: We will now hear
12 from the staff, please, on any issues.

13 PRESIDING MEMBER PERNELL: Thank you, Mr.
14 Jones.

15 MR. JONES: Thank you.

16 MR. ELLER: Bob Eller, Staff Project Manager.

17 I would like to address the issue of the
18 length of the permit you just asked about.

19 Staff believes that the length of the
20 license issue through this process is for the life of
21 the project.

22 If the project has a contract with the
23 California Department of Water Resources or the
24 California ISO, and that it meets the continuation
25 criteria that was specified at the end of that

1 contract, which is that it meets BACT, Best Available
2 Control Technology, and permanent air emission
3 offsets in compliance with all Energy Commission
4 conditions, it has site control, and the project is a
5 permanent facility.

6 If those conditions do not apply, any permit
7 issued through this process would be for three
8 years with an option to recertify, if they did not
9 have a contract.

10 PRESIDING MEMBER PERNELL: Okay. And I
11 understand, Mr. Eller, that the lease of the property
12 is a ten-year lease?

13 MR. ELLER: I believe that to be the case,
14 although I haven't -- that's a question for the
15 Applicant.

16 PRESIDING MEMBER PERNELL: Let me make my
17 point. And if, for example, the lease is not renewed
18 or can't be renewed, then that would affect the
19 licensing process?

20 MR. ELLER: Yes, it would. We indicate that
21 they must demonstrate site control, and I believe
22 that's key to demonstrating site control.

23 PRESIDING MEMBER PERNELL: Okay.

24 MR. ELLER: Wildflower submitted their
25 application for an emergency permit on March the 8th.

1 Staff began a review of that permit with a
2 minimum of information required for the application.

3 We determined on March the 16th that staff
4 had met those criterion, and staff recommended that
5 it become data adequate.

6 We began an emergency fatal flaw analysis of
7 that document, and we're looking to find out whether
8 they in fact have public health and safety impacts,
9 whether there are any unmitigated environmental
10 impacts; whether there are significant adverse energy
11 system impacts; that they're going to comply with all
12 legal requirements for the operation and construction
13 of the facility; that they will be addressing all of
14 the control, addressing disproportional impacts and
15 have site controls, and looking at the lineal
16 facility to determine their impacts.

17 As I said, the Application was complete on
18 March the 16th. We've asked for all agencies and the
19 public to provide comments on this document by March
20 the 30th.

21 Staff is completing staff assessment of the
22 project, and we expect to file that on March the
23 31st, which is the following Saturday, a week from
24 this Saturday.

25 We are looking at a Commission decision

1 occurring on April the 2nd, the next Monday, and a
2 Commission Business Meeting on April the 4th on this
3 project.

4 PRESIDING MEMBER PERNELL: Okay. Stop for
5 one second, just to make sure we get these dates.

6 MR. ELLER: I apologize. I had a Power Point
7 presentation, but there doesn't appear to be the
8 facilities. I would be happy to provide this in
9 writing for you.

10 PRESIDING MEMBER PERNELL: We're okay. I'm
11 just not as fast as you are, I'm certain. Can you go
12 over that again?

13 MR. ELLER: Starting with March 30th,
14 comments from the public and interested parties or
15 agencies. Staff assessment, March 31st. That will
16 be followed on the Web. Commission Decision on April
17 the 2nd, Commissioner Decision.

18 PRESIDING MEMBER PERNELL: Commissioner or
19 Committee?

20 MR. ELLER: Committee's -- Committee's
21 Decision. We've been calling it Commissioner in our
22 group, so -- and then the full Commission Decision on
23 April the 4th.

24 PRESIDING MEMBER PERNELL: Okay.

25 MR. ELLER: Based upon our initial review of

1 the project, we have not found issues that would
2 prevent approving the permit.

3 If the Commission approves the project, our
4 staff analysis will recommend to the Committee
5 conditions that will specify measures for
6 construction and operation of the facility to assure
7 compliance with all applicable laws, ordinances,
8 regulations and standards.

9 If the Commission approves the facility, we
10 will also have compliance monitors assigned and will
11 work to assure that the project complies with those
12 conditions, and we will monitor the construction
13 operation to again assure that all laws, ordinances,
14 regulations and standards are met.

15 That concludes my presentation. If you have
16 any questions, I would be happy to answer them.

17 PRESIDING MEMBER PERNELL: Any questions for
18 Mr. Eller?

19 HEARING OFFICER WHARTON: I just have this:
20 Have you received all the information -- has staff
21 received all the information from the Applicant that
22 it needs, or is it still waiting for --

23 MR. ELLER: No, ma'am. When we determined it
24 was complete on March the 16th, we believed we had
25 all information.

1 We asked a couple of small questions, but we
2 are getting those via e-mail.

3 PRESIDING MEMBER PERNELL: Thank you.

4 MR. ELLER: Mr. Lake is handling the Air
5 Pollution Control District and is working with us on
6 the air analysis.

7 PRESIDING MEMBER PERNELL: You need to be a
8 little bit closer to the mike.

9 MR. ELLER: The Air Pollution Control
10 District in San Diego and the ARB air analysis for
11 this project, and I would like to invite Mr. Lake to
12 come and talk about that analysis and its status.

13 HEARING OFFICER WHARTON: Mr. Lake. State
14 your full name again for the record.

15 MR. LAKE: My name is Michael Lake. I'm the
16 Chief of the Engineering Division with the San Diego
17 County Air Pollution Control District.

18 Similar to the Energy Commission, we
19 received the Application for the proposed Larkspur
20 Facility with the two turbines on March 8th, and we
21 commenced our review of that Application to determine
22 if the facility complies or would comply with all of
23 our applicable standards.

24 The staff is continuing with that
25 evaluation; however, based on the information that

1 has been provided so far, we expect that the facility
2 will comply with all of our requirements.

3 We have been reviewing the air quality
4 impact analyses that have been done; we have been
5 reviewing the health risk assessments that have been
6 done and provided to the District.

7 The control technology -- emission control
8 technology that has been proposed appears to meet our
9 requirements and the State Air Resources Board's
10 recommendations for Best Available Control
11 Technology.

12 There are some details that we are still
13 working out with the Applicant with regard to the
14 timing of when the emission controls would be in
15 place. There may be a need for a short period of
16 operation without the emission controls, and this is
17 not uncommon when the turbines are first put in.

18 There may be a short period of time. It may
19 be a few days or a few weeks before the emission
20 controls are fully functional, so in our analysis of
21 the facility, we're also looking at the air quality
22 impact associated with that period where the
23 emissions from the turbines would be uncontrolled to
24 ensure, during that period, there would not be any
25 adverse public health impacts or air quality impacts.

1 And at this point in our analysis, it
2 appears there would not be such problems.

3 MS. TOWNSEND-SMITH: Do you expect the
4 Applicant to provide any offsets? Ellie
5 Townsend-Smith.

6 MR. LAKE: Because the emissions from the
7 project are below 50 tons per year, NOx emissions,
8 and below 50 tons per year of organic gas emissions,
9 that does not provide that that be provided.
10 Emission offsets would not be required under our
11 regulations.

12 PRESIDING MEMBER PERNELL: The period that
13 you referred to, a couple of days, is that the
14 testing period for -- what is the normal period when
15 new turbines come on line?

16 MR. LAKE: Yes, that's our understanding.

17 You may want to ask the Applicant about more
18 specifics associated with what periods of time the
19 turbines would be going through this shakedown period
20 before the emission controls would be in place.

21 PRESIDING MEMBER PERNELL: Could we go off
22 the record, please.

23 (Discussion off the record.)

24 PRESIDING MEMBER PERNELL: Back on the
25 record, please.

1 I think we have one more question.

2 HEARING OFFICER WHARTON: Can you comment on
3 the 30-day notice requirement.

4 MR. LAKE: I believe the 30-day -- well, the
5 30-day public notice requirement is a requirement of
6 the Air Pollution Control District rules and
7 regulations, that a facility of this size would have
8 to go through a 30-day noticing and public reviewing
9 and comment period.

10 As best I know, the public notice and
11 comment period should have started yesterday. The 30
12 days should have commenced yesterday.

13 I'm not sure we received exact confirmation
14 from the "Daily Transcript" that they indeed
15 published a notice yesterday. But all the information
16 I have available to me indicates that, yes, it went
17 into the newspaper yesterday.

18 HEARING OFFICER WHARTON: Right. And how
19 will that timing work as far as -- assuming it
20 started yesterday --

21 MR. LAKE: The end --

22 HEARING OFFICER WHARTON: -- with regard to
23 starting construction?

24 MR. LAKE: The end of the 30-day comment
25 period would be approximately April 20th. And any

1 comments that the District Air Pollution Control
2 District receives during that period we will consider
3 relative to the compliance with the project, with our
4 rules and regulations, and at that point in time, if
5 we still believe that the project will comply with
6 all of our rules and regulations, we would be
7 prepared to issue an Authority to Construct, which is
8 our permission for the project to proceed with
9 construction.

10 PRESIDING MEMBER PERNELL: But in terms of
11 our process, we don't -- we don't need the permanent
12 certification from the Air District to proceed?

13 MR. LAKE: You may want to refer to your
14 staff on that.

15 PRESIDING MEMBER PERNELL: I'm sorry.

16 MR. LAKE: The -- the requirement for an Air
17 Pollution Control District authority to construct is
18 a requirement for all rules and regulations. It is
19 also a requirement of the Federal Environmental
20 Protection Agency.

21 And I think, in general, for these expedited
22 processes, the general opinion is that the Energy
23 Commission would go through its process, and the Air
24 Pollution Control District around the state may have
25 similar projects which will go through their process,

1 and issue an Authority to Construct to ensure that
2 the project is properly authorized, in the view of
3 the Federal Environmental Protection Agency.

4 MR. CARROLL: Mike Carroll with Latham &
5 Watkins on behalf of the Applicant.

6 With respect to your question, I can relate
7 to you a conversation that I had with Mr. Jeff Ogata
8 of the California Energy Commission on this issue:
9 And Mr. Ogata's explanation of the process is
10 essentially as Mr. Lake described; the Energy
11 Commission can go ahead and proceed with finalizing
12 its certification even if the Air Pollution Control
13 District permit had not been finalized.

14 And he anticipated that the Energy
15 Commission would condition certification on the
16 receipt of the final application -- or, I'm sorry --
17 the Final Permit from the Air District.

18 I don't mean to speak for staff, but since I
19 didn't see counsel here --

20 PRESIDING MEMBER PERNELL: Let's have staff
21 speak for itself.

22 Thank you, Mr. Lake.

23 HEARING OFFICER WHARTON: Next on the
24 agenda is the Public Adviser, Mr. Cleary.

25 MR. CLEARY: Good evening. I gave you the

1 "Reader's Digest" version earlier, but to try to
2 briefly describe what the Public Adviser's role is, I
3 am representing Roberta Mendonca, the Energy
4 Commission's Public Adviser. I am part of a team
5 especially assembled to assist in the siting of the
6 emergency power plants.

7 It is the role of the Public Adviser to
8 assist the public in understanding the Energy
9 Commission siting process and to assist members of
10 the public who want to participate in that process.

11 Our toll free number is 1-800-273-4459, or
12 we can also be contacted by e-mail, which is
13 pao@energy.state.ca.us or dp@pacgateway.com.

14 As members of the public, you have a right
15 to participate and comment on the proposed Larkspur
16 facility, and we encourage you to do so by filling
17 out these blue question cards; also, by listing your
18 name and address and e-mail on the sign-in sheet.

19 We can also forward you any information that
20 comes up on future meetings on future sites in the
21 San Diego region.

22 We have information out on the table outside
23 with regards to the -- the process. Complete copies
24 of the Applicant's application can be found at the
25 Chula Vista main library, across the street, as well

1 as the Southern Branch on Orange Avenue, also the
2 Otay Mesa branch library in the San Diego system has
3 a copy of the Application for Certification.

4 Information can also be found on the Energy
5 Commission's website which is
6 www.energy.ca.gov/sitingcases/peakers.

7 PRESIDING MEMBER PERNELL: Can you repeat
8 that again, please?

9 MR. CLEARY: Seriously?

10 PRESIDING MEMBER PERNELL: Seriously.

11 MR. CLEARY: There is a lot of dot-coms and
12 slashes in this, so I was not sure if you were trying
13 to make light: www.energy.ca.gov/sitingcases/peakers.

14 And again, if anyone would like to ask a
15 question, either in person, or we can also get back
16 to you at another time if you fill out one of these
17 blue cards, I'll be happy to provide you with that.

18 And I thank you very much for your
19 participation tonight. Thank you.

20 PRESIDING MEMBER PERNELL: Thank you.

21 HEARING OFFICER WHARTON: Thank you, Mr.
22 Cleary.

23 What we will do now is break and allow
24 everyone a chance, if they wish to talk to either the
25 staff or Mr. Jones or any other folks here for the

1 Applicant, please feel free to do so, and if you have
2 any questions that you want to ask either the
3 Applicant or the staff, write them on one of the blue
4 cards, and we will then, when we go back on the
5 record, direct those questions to the appropriate
6 person to ask.

7 Also, if you wish to make a comment, or
8 comment on the record, and haven't done so already,
9 to fill out the blue card, please do that, and if we
10 have time, I hope we will able to get to everyone who
11 wants to put a comment on the record.

12 So let's take a break now for 10 minutes.
13 All right? And I'd also remind you, it looks like
14 there is some food back there if you need some. Okay.

15 (Recess taken.)

16 HEARING OFFICER WHARTON: All right. We'll
17 go back on the record now. And has everyone who
18 wants to ask a question submitted the written
19 questions?

20 Ms. Coffey, you indicated you had questions,
21 but I don't have any written questions yet. Do you
22 have questions to submit?

23 MS. COFFEY: I was going to read them and
24 then give them to you or just submit them to you.

25 HEARING OFFICER WHARTON: The way we will

1 proceed at this point is do some questions, and now
2 we'll do all of the questions, and then we will go
3 into comments.

4 Anyone who wishes to make any comments or
5 statements, we'll do that after the questions. We
6 will read the questions and direct them to whoever is
7 able to best answer.

8 Do you have a question?

9 PRESIDING MEMBER PERNELL: No; I'll wait.

10 HEARING OFFICER WHARTON: The first question
11 by Mr. Stewart says he is looking for information
12 concerning how this project will impact aviation
13 interests, specifically Brown Field, just west of the
14 project.

15 And, in particular, will the height of the
16 project penetrate air zones or other airport
17 influenced areas for the current airport, and as
18 proposed, expansion by Brown Field Aviation Partners
19 for the San Diego --

20 MR. STEWART: Commerce Center.

21 HEARING OFFICER WHARTON: The proposed Brown
22 Field project will extend the current runway by
23 almost 3,000 feet to the east. Further, our group
24 has proposed an east to west precision approach that
25 this project may interfere with.

1 All right. Mr. Jones or anyone from the
2 Applicant.

3 MS. HARVEY: Marian Harvey with Latham &
4 Watkins representing InterGen.

5 We have looked at all of the existing air
6 zones for Brown Field, and this project site is
7 outside any of the affected areas for Brown Field.

8 We have been actually, to date, unaware of
9 the proposal that the question is referring to.
10 We'll take a look at it as of today for adopted
11 plans, and as you have said, also the affected area.

12 PRESIDING MEMBER PERNELL: Thank you.

13 HEARING OFFICER WHARTON: Is there anything
14 --

15 MR. TURNER: Mark Turner with InterGen, North
16 America. You can see here on the photo sim stand
17 that transmission towers next to the facility are --
18 I'm sorry -- the transmission lines adjacent to the
19 facility that you can see in the photo sim are
20 actually, I believe -- correct me if I'm wrong -- 70
21 feet in height?

22 MR. EVANS: In the area, there are
23 transmission lines that are as high as the stacks.

24 HEARING OFFICER WHARTON: So all those poles
25 that we saw out there at the site --

1 MR. EVANS: There are existing structures in
2 the area that are consistent with the height of the
3 stacks, is what I'm trying to say.

4 PRESIDING MEMBER PERNELL: Thank you.

5 HEARING OFFICER WHARTON: Mr. Stewart, what
6 we want --

7 PRESIDING MEMBER PERNELL: What we want to
8 do is have the questions, then have staff or the
9 Applicant answer, and then we'll have comments from
10 the public, or possibly rebuttal, but I don't want to
11 get into question-and-answer at this time.

12 HEARING OFFICER WHARTON: And, Mr. Stewart,
13 you did indicate you wish to comment, so you will
14 have that opportunity.

15 All right. The question is by Pepper Rae
16 Coffey -- that's C-O-F-F-E-Y. Ms. Coffey is
17 resident.

18 Are you planning any other facilities on
19 Otay Mesa at the other sites that you were
20 investigating.

21 And that's for Mr. Jones.

22 MR. JONES: No, we are not.

23 HEARING OFFICER WHARTON: Again, Mr. Jones,
24 you might just want to stay up there for a while.

25 When InterGen presented at the Otay Mesa

1 Planning Group, they gave the impression that this
2 project was more of a temporary structure that could
3 be easily removed if not needed.

4 What has changed that you are now applying
5 for a more permanent 50-year permit?

6 MR. JONES: When we were originally
7 discussing these projects, they were five separate
8 projects with the consolidation onto a single site.

9 We view these now as a permanent project,
10 and that assumption is consistent with our view of
11 the need for electricity in California.

12 HEARING OFFICER WHARTON: Question Number 3:
13 Why didn't you consider zip code 92154 in your
14 demographic information? There are 11,500 homes
15 planned for that area, about two and a half to three
16 miles from the proposed project, and closer than the
17 92173 zip code.

18 Your census data is 11 years old.

19 MR. JONES: Give me one moment to respond,
20 please.

21 (Discussion off the record.)

22 MR. JONES: The zip code that we use is the
23 closest one to the site, and the new census data
24 won't be out until later this year.

25 PRESIDING MEMBER PERNELL: Did you look at

1 old census data?

2 MR. JONES: We looked at the most recent
3 census data available at the time of the study.

4 HEARING OFFICER WHARTON: The next two items
5 are comments on the list, and, Ms. Coffey, you have
6 checked your request to make comments, so I will let
7 you do that during the comment period.

8 The last question is, where or who will you
9 be selling your power to?

10 MR. JONES: These -- this project currently
11 has two contracts with the California ISO. We're in
12 negotiations with the SDWR to sell power to the CDWR.

13 PRESIDING MEMBER PERNELL: Explain CDWR.

14 MR. JONES: The Department of Water
15 Resources, who is currently involved in purchasing
16 electricity for the State of California and its
17 residents.

18 We'll also be selling the preponderance of
19 the energy to Coral Power or our affiliate in serving
20 those contracts.

21 PRESIDING MEMBER PERNELL: Mr. Jones, let me
22 ask my question while and since you are up there.

23 I understand that the proposed project will
24 have 5 ppm?

25 MR. JONES: Yes.

1 PRESIDING MEMBER PERNELL: And this is for
2 base load?

3 MR. JONES: I'm not sure I understand the
4 question. We don't anticipate the project being run
5 base load, but it -- fully operating, the project
6 will have 5 ppm of NOx operating on gas.

7 PRESIDING MEMBER PERNELL: And right now,
8 the proposed license is longer than three to five
9 years.

10 My question is, do you intend to go back to
11 the Air District, because there is technology that
12 can get this now to 2 ppm, say, if the license is for
13 50 years -- which I've heard tonight? At some point,
14 do you plan to go back to the Air District to get the
15 ppm level lower than 5 ppm?

16 MR. JONES: We're not making it a part of
17 our Application as a requirement because the -- in
18 order to move forward with a project like this, and
19 attain financing for a project like this, having an
20 open-ended revisit to an air permit can be -- can be
21 a real issue for raising the financing necessary to
22 build these, so we're not applying as such.

23 But we do intend to for this -- to meet with
24 the criteria of California, as it is in our
25 Application.

1 PRESIDING MEMBER PERNELL: Okay.

2 MR. CARROLL: Mike Carroll, Latham & Watkins
3 on behalf of InterGen.

4 Let me see. I heard a couple of things in
5 your question, Commissioner Pernell, about base load
6 and the emission rate, and let me see if I understand
7 the question --

8 I think the answer that you just heard is as
9 long as this plan is operated as a peaker unit, as it
10 is being permitted, we would not anticipate going
11 back to the Air District to revisit any of the
12 applicable emission standards. It would be subject
13 to the Best Available Control Technology standards at
14 the time the site is permitted.

15 If the question is if at some future time
16 the plant were to undergo a physical modification,
17 for example, to convert it to a combined single
18 plant, at that time, Federal Law, the Clean Air Act,
19 would require, since that would be a major
20 modification of the Clean Air Act and Federal Law,
21 and the Air District implementing it would require
22 revisitation of the applicable BACT limits, and to
23 the extent they had gone down over time, the new
24 limits would apply.

25 So, perhaps a long-winded answer, but I

1 thought that I -- I heard a couple of lines of
2 thought in the question, and I just wanted to clarify
3 that.

4 PRESIDING MEMBER PERNELL: Okay. Thank
5 you.

6 MR. CARROLL: You're welcome.

7 HEARING OFFICER WHARTON: The next set of
8 questions is from Greg Ny; is that correct?

9 MR. NY: Yes.

10 HEARING OFFICER WHARTON: I'm not sure --
11 I'm just going to read what you have here, and again,
12 this is to be addressed to you, Mr. Jones.

13 Why running 5950 hours for peak hours?

14 Do you understand --

15 MR. JONES: I believe the question is why
16 are we permitting for that many hours; what would be
17 the peaking project.

18 The reason we're permitting for that many
19 hours is that that's consistent with what we view the
20 need in California to be.

21 As you've seen now, even in the springtime,
22 we're having drastic shortages here, and so we're
23 permitting for enough hours so that we can meet the
24 load in all of the situations.

25 It is our expectation that, after the crisis

1 is met of the next couple of years, the actual hours
2 of the project run will be reduced somewhat.

3 MS. TOWNSEND-SMITH: Excuse me. Ellie
4 Townsend-Smith. I wanted to find out if you are
5 required to run what the ISO calls a Stage 2 or Stage
6 3, is that what determines the amount of hours that
7 you run?

8 MR. JONES: Under our current contract with
9 the ISO, we're required to run whenever the ISO turns
10 us on.

11 In our current contract, they have the right
12 to call us for 500 hours out of the year.

13 We expect that to be somewhat different with
14 our CDWR agreements.

15 MS. TOWNSEND-SMITH: Thank you.

16 HEARING OFFICER WHARTON: The next question
17 from Mr. Ny is pollution credits, from where?

18 MR. JONES: Again, I believe this was
19 addressed by Mr. Lake, but the project is not a major
20 source, and they are not required to purchase
21 credit.

22 HEARING OFFICER WHARTON: And Number 3 says,
23 why Chula Vista, not Otay Mesa?

24 Oh, for this hearing?

25 MR. JONES: I believe this was set up by

1 the CEC, I believe. Would you like --

2 HEARING OFFICER WHARTON: Staff?

3 MR. ELLER: The notice for this hearing was
4 issued by the Committee and the site was selected by
5 the Committee.

6 PRESIDING MEMBER PERNELL: Does that mean I
7 have to answer this question?

8 I think it was a -- and not having talked to
9 staff about this, but I think it is a matter of
10 convenience in facility, also in terms of having the
11 transportation pick us up to visit the site, so it
12 was -- it was more convenient, and the opportunity to
13 use the facility than anything else.

14 HEARING OFFICER WHARTON: One more question,
15 and this is from Martha Ny.

16 Are there any other proposed peak generation
17 plants planned for the Otay Mesa area?

18 MR. JONES: I think there may be a number of
19 other projects proposed in the general area, but
20 perhaps staff is in a better position to represent
21 what they may be.

22 MR. ELLER: Bob Eller for staff. We have
23 received an Application for the Ramco Chula Vista
24 project, in addition to a 44-megawatt project off of
25 Main Street in Chula Vista. The project that was

1 submitted to us last week is for a 57.6 megawatt
2 addition to that facility.

3 HEARING OFFICER WHARTON: Is that the Ramco
4 one?

5 MR. ELLER: Yes. In addition, I think there
6 are at least four other peaking projects that I'm
7 aware of that are going through the local permitting
8 process and have ISO contracts currently.

9 UNIDENTIFIED SPEAKER: Where are they?

10 MR. ELLER: Located, I believe, maybe one in
11 Otay Mesa, and I believe there are others around
12 town. Escondido, I recall, San Diego, perhaps, but
13 they are currently permitting locally.

14 PRESIDING MEMBER PERNELL: Thank you.

15 Yes. Same question?

16 MR. LAKE: Yes. Michael Lake with the Air
17 Pollution Control District.

18 Just to provide a little bit more
19 information, the District is currently evaluating an
20 application for a 49 megawatts peaking plant, Cal
21 Peak Energy, and it is located at the corner of -- or
22 proposed to be located at the corner of Lone Star
23 Road and Harvest Road, which is approximately one
24 mile north of the proposed project site.

25 PRESIDING MEMBER PERNELL: Thank you.

1 HEARING OFFICER WHARTON: Thank you. I
2 believe that's all the questions that were submitted
3 in writing.

4 What we will do now is take comments from
5 those who have requested to comment. The first will
6 be Mr. Willie Gaters of the City of Chula Vista,
7 Environmental Resource Manager. Mr. Gaters.

8 MR. GATERS: What I will do is read from
9 prepared comments.

10 Chula Vista is committed to do our fair
11 share to help resolve the energy challenges facing
12 the San Diego region and the rest of California.
13 Chula Vista believes that new generation capacity is
14 an important part of the puzzle to help resolve the
15 energy crisis.

16 Chula Vista is the second largest city in
17 San Diego County, and our residents and businesses
18 have for decades been host to the South Bay Power
19 Plant, which has a capacity of about 706 megawatts.

20 Chula Vista continues to support the concept
21 of redesigning and rebuilding the plants so it can
22 generate electricity more efficiently while reducing
23 any associated environmental impacts.

24 The City also recently approved a new peaker
25 plant on Main Street, which is, I believe, the Ramco

1 plant, and that facility will bring a proposal
2 forward in the next new days to expand the capacity
3 near 100 megawatts and to be on line by this summer.

4 In this project, the City will also pursue
5 air conditions to ensure any additional environmental
6 impact associated with the increase is minimized and
7 that any mitigation benefits purchased for the
8 project directly benefits the South Bay community.

9 Another power plant located in the South Bay
10 portion of San Diego City, the Otay Mesa plant, has a
11 generating capacity of about 500 megawatts. This
12 project mitigated air emissions by converting trash
13 trucks from diesel to natural gas. Unfortunately,
14 the effort was outside of the South Bay region.

15 The proposed Larkspur Energy Facility, which
16 will have a generating capacity of about 90
17 megawatts, represents the fourth regional power
18 facility proposed for the South Bay.

19 With the South Bay Power Plant and the
20 additional power plants, we believe that Chula Vista
21 and Otay residents and businesses will bear the brunt
22 of the resulting environmental impacts.

23 To put that in perspective, citywide, Chula
24 Vista alone has a current annual demand of about 65
25 megawatts, while the combined existing and proposed

1 plants will have a generation capacity of
2 approximately 1400 megawatts.

3 Chula Vista respectfully requests, and
4 regional fairness would seem to support that the
5 Commission, the Air Pollution Control District, and
6 the Applicant work vigorously to assure that the
7 Larkspur facility take every possible step to
8 minimize any environmental impacts and direct any
9 mitigation benefits for the project directly back to
10 the South Bay community.

11 We also respectfully request that the CEC
12 look to balance the location, impacts and benefits of
13 future facilities throughout the region
14 appropriately.

15 PRESIDING MEMBER PERNELL: Thank you.

16 HEARING OFFICER WHARTON: The next comment,
17 Mr. Stewart, William Stewart.

18 MR. STEWART: Thank you. I have -- my name
19 is William Stewart. I am the Co-Chair of the San
20 Diego Airspace Users Group.

21 Our group is composed of members of various
22 forms of aviation, including the City of San Diego,
23 the County of San Diego, Port District, SANDAG,
24 different pilot groups, the military, and we handle
25 aviation interests in the San Diego area and bring

1 them to the FAA for possible consideration of changes
2 to the airspace.

3 I'm here tonight to question this project's
4 potential for impact in aviation and Brown Field.
5 In my prepared question, I asked about the height of
6 this project.

7 As recent as yesterday afternoon, I was in
8 contact with the FAA at their headquarters in Los
9 Angeles about this project, and their concern --
10 because I think they had not heard of it -- and I'm
11 here to sort of represent them tonight about it.

12 I would like to encourage the proponents to
13 contact the regional office concerning this project
14 and make sure that it does not in fact impact the
15 current operations of Brown Field.

16 I would also like to make the Committee
17 aware of the fact that the City of San Diego is
18 currently in negotiations with Brown Field Aviation
19 Partners, which would extend the current runway
20 approximately 3,000 feet to the east.

21 Can I use this chart to show you something
22 (indicating)?

23 HEARING OFFICER WHARTON: Sure.

24 MR. STEWART: The current runway is -- I'm
25 sorry -- the current runway is about 6500 feet long,

1 shown here. Actually, this is the longest one shown,
2 and the extended runway would come to approximately
3 this location (indicating), which would be just right
4 off the end of this power plant.

5 The current proponents -- the proponents
6 have currently said that they wanted a west approach
7 into this runway, but we found out that the economic
8 impacts will not really allow that, and we're working
9 on changing the approach, which would come in and
10 come directly over this power plant into the runway.
11 I'm very concerned that the proponents talk to the
12 FAA about this issue.

13 I also --

14 PRESIDING MEMBER PERNELL: Point of record,
15 the speaker is talking about the site map --

16 HEARING OFFICER WHARTON: Yes. For the
17 record, you were referring to the blowup of what we
18 have put into the record here as Exhibit 1, and it's
19 Page 1? It's the site map?

20 MR. STEWART: It is the site map, yes, ma'am.

21 HEARING OFFICER WHARTON: That shows,
22 clearly shows, Brown Field, and you were indicating
23 that off of the right end of the runway, it would be
24 extended towards the power plant?

25 MR. STEWART: That's correct, extended toward

1 the east.

2 The proponents are correct that the current
3 facility appears, from this diagram -- though, I
4 don't know which direction the power plants run --
5 they are lower than the power lines -- and if that's
6 the case, that probably would not be a problem as the
7 airport currently stands.

8 However, there are requirements of the
9 Federal Aviation Administration, and the project does
10 come before them for approval.

11 And so I would ask that the proponents to do
12 that.

13 Also, I would like to speak personally, not
14 as the San Diego Airspace Users Group, on another
15 issue, which the proponents need to talk to CalTrans
16 about, and that is that if they have any hazardous
17 materials -- and I'm sorry, I don't know the exact
18 definition of what's going to be included in
19 hazardous materials -- but if they have any hazardous
20 materials on site here, the requirements of CalTrans
21 for a clear area approach, being a public use
22 airport, and I would caution them to also talk to
23 CalTrans, and either one of these could be definitely
24 fatal flaws for the project.

25 PRESIDING MEMBER PERNELL: Thank you.

1 HEARING OFFICER WHARTON: Thank you.

2 MR. STEWART: Can I ask one more question?
3 The County brought up something about another
4 facility that was going to be about a mile north of
5 this.

6 I haven't heard anything about that
7 facility. Wouldn't that come through the same
8 process?

9 PRESIDING MEMBER PERNELL: If it's in our
10 emergency project, or if it is over 50 megawatts, it
11 comes before the Energy Commission's process. But
12 you might want to talk to the County about --

13 MR. STEWART: Okay.

14 PRESIDING MEMBER PERNELL: -- that
15 proposal.

16 MR. STEWART: It could also be in the same
17 problem with the airspace. Thank you.

18 MR. ELLER: Bob Eller, Energy Commission.

19 That project is a CalPeak project. It is
20 not coming before the Energy Commission at this time.

21 MS. TOWNSEND-SMITH: I believe it is 49
22 megawatts?

23 MR. ELLER: Yes. It's an ISO project, but
24 under 50 megawatts.

25 MS. TOWNSEND-SMITH: So it won't come to

1 us.

2 HEARING OFFICER WHARTON: Okay. The next
3 comments by Martha Ny.

4 MS. NY: Martha Ny, 1132 Sea Reef Drive, San
5 Diego. That's in the Otay Mesa area, where there
6 were no demographics. Apparently it was too far
7 away, but probably just about a quarter of a mile
8 away is planned 3,000 houses and probably a good
9 25,000 or more people in that area that Larkspur did
10 not address.

11 What I have a concern about is all the air
12 quality standards and cumulative exposure to
13 emissions.

14 It's well and good that we can get a lot of
15 projects, I guess, under 50 megawatts, and they don't
16 have to come under the Air Pollution Control, but
17 when you have a 500-megawatt power plant, a
18 90-megawatt peak generating facility, and another --
19 what is it? -- 49, or what did you say? 79?

20 Ramco that is coming in, another 49
21 megawatts, and none of those need to get air
22 pollution credits, and it is all going up in the same
23 area? I mean, that's just --

24 PRESIDING MEMBER PERNELL: I'm not sure that
25 that's -- I'm not sure that is totally accurate, with

1 the peakers. Are the ones -- some or all of the
2 projects that you just mentioned, are all of those
3 peakers? Or maybe I should ask staff.

4 MR. ELLER: The power plant isn't a peaker.
5 I don't believe it is a full power plant.

6 MS. TOWNSEND-SMITH: Otay Mesa?

7 MS. NY: And Otay Mesa, and the ones being
8 proposed, that I just heard about, are all on Otay
9 Mesa. So, if you don't have to get any, you know,
10 points or you don't have to have any kind of thing to
11 get, you know, credits from the APC, you know, the
12 Air Pollution Control District, you just have this
13 cumulative effect, and all these applicants are
14 getting by scot-free, whereas the people that live
15 around there, what -- what -- you know, they're the
16 ones that are going to be polluted on.

17 Not only that, has anyone talked to Mexico?
18 Are there --

19 PRESIDING MEMBER PERNELL: I can't answer
20 that.

21 MS. NY: They're a stone-throw away. Are we
22 going to forget about our neighbors to the south?

23 PRESIDING MEMBER PERNELL: I can say that we
24 do have a federal agreement that, whenever there is a
25 pollution, a possible pollution effect, that is going

1 to cross borders, that the government has to be
2 notified.

3 But I can't sit here and tell you that
4 that's happened.

5 I also understand the cumulative effect, and
6 I think your comments and point is well-taken, and we
7 certainly will and are taking note of that.

8 MS. NY: Thank you.

9 PRESIDING MEMBER PERNELL: Thank you.

10 HEARING OFFICER WHARTON: Thank you, Ms.
11 Ny.

12 Greg Ny. Do you have anything to add?

13 MR. NY: Yeah, I do, actually. My name is
14 Greg Ny. I live at 1132 Sea Reef Drive, San Diego.
15 We're one mile directly west of the west end of Brown
16 Field.

17 And while I'm not against, I mean, the
18 building of the power plant -- obviously, it's
19 needed -- but, just sitting here thinking how lucky
20 us residents up in Otay Mesa are, and I guess my
21 comments would probably be more directed toward the
22 -- the San Diego County and the City of San Diego,
23 more importantly, and just sitting here in the
24 audience and thinking of all of the great projects
25 that are being put up in our area: We have two

1 prisons; we have one new prison proposed that is
2 going to go in construction next year; we have an
3 operating airport at this time; we have auto
4 wreckers; we have a -- I can't read my own writing --
5 we have the Duke Power Plant which is proposed;
6 multiple-peak generating plants proposed; we have a
7 dump; we have a toxic waste disposal site; we have a
8 border crossing; and last, but not least, this insane
9 proposal to expand Brown Field to a 24-hour operating
10 head-to-head cargo airport.

11 So, I don't know how much more this good
12 fortune we can stand up here. And I think I'm kind
13 of looking toward the County and the City more than
14 anything else to maybe quit dumping on Otay Mesa.

15 That's all I have to say. Thank you.

16 PRESIDING MEMBER PERNELL: Thank you.

17 HEARING OFFICER WHARTON: Ms. Coffey.

18 MS. COFFEY: I think the comment that I had
19 is a question you didn't answer, and there was a
20 comment about --

21 PRESIDING MEMBER PERNELL: Please state your
22 full name.

23 MS. COFFEY: Pepper Rae Coffey, 1164 Cove
24 View Way, San Diego, 92154.

25 My comment was to probably staff or whoever

1 gave notice in this area that, when I read the
2 article in the "Union-Tribune" today, or the notice
3 in the "Union-Tribune" about this meeting, had I not
4 taken a second glance at that, I would have thought
5 it was a project in Chula Vista. And that is not
6 really proper notice to the citizens, residents of
7 San Diego and of Otay Mesa. And that's probably why
8 you don't see many of them here today.

9 Secondly, most residential citizens that are
10 not, you know, representing some agency, do not read
11 the "Daily Transcript," unless they're attorneys. So
12 I would ask that agencies -- I ask everybody -- but
13 put those also in the UT -- in the "Union-Tribune,"
14 our local newspaper, instead of just in the legal
15 trade.

16 That's my comment. I think you answered all
17 my other questions, or have been answered by other
18 people. Thanks.

19 PRESIDING MEMBER PERNELL: Thank you.

20 HEARING OFFICER WHARTON: Thank you.

21 That concludes the comments.

22 At this time, what I would like to do is
23 just take a brief three minute --

24 PRESIDING MEMBER PERNELL: What I would like
25 to do is just do some quick follow-up with the

1 Applicant.

2 It has been commented that the Applicant get
3 in touch with the Aviation Department, and I don't
4 know whether you have done that or not, but that is a
5 strong concern by one of the residents.
6 The other is the hazardous material. I think we
7 covered that part of it.

8 And for the staff, it sounds like that
9 notice is important, and maybe we should put a notice
10 in all of the papers and try and get notice out in a
11 timely manner. So I would -- I would make those
12 comments, and that's in the future; that we try and
13 be good neighbors, and with that --

14 HEARING OFFICER WHARTON: Yeah. We're just
15 going to take about two or three minutes to review
16 some issues, make sure there is nothing else that we
17 wanted to put on the record.

18 And if there are any dates that we need to
19 inform you of, we will get all of the dates out to
20 you, and all of the e-mail addresses and 800 numbers,
21 for you to submit any further comments that you have
22 within the next week or so. All right? So, don't go
23 away. We'll be right back.

24 PRESIDING MEMBER PERNELL: Off the record,
25 please.

1 (Recess taken.)

2 HEARING OFFICER WHARTON: Back on the
3 record now.

4 PRESIDING MEMBER PERNELL: We're back on
5 the record now. Please take your seats. If you have
6 conversation, take it outside.

7 HEARING OFFICER WHARTON: All right. The
8 first thing, Mr. Cleary, if you would just like to
9 respond to the comment that was given about the
10 notice, the short notice. You indicated that you
11 have some more information about where the notices
12 were?

13 MR. CLEARY: The Public Adviser had sent out
14 a letter to about 250 committee members, business
15 people, elected officials, agencies about a week to
16 ten days ago, notifying them that the Applicant had
17 submitted an Application; that this process -- or
18 describing the process, and basically putting people
19 on notice that a hearing would be taking place,
20 giving the accelerated hearing schedule.

21 We followed that up with a notice in the
22 mail, as soon as it was made available, that the
23 Applicant's Application had been deemed complete,
24 and that the advertisement for this meeting was in
25 the "Union-Tribune" as opposed to the legal notice,

1 which was put in the "Daily Transcript."

2 And one of the people who were on our
3 mailing list was the Consul General's office of
4 Mexico, so that question was brought up.

5 HEARING OFFICER WHARTON: All right. Thank
6 you.

7 PRESIDING MEMBER PERNELL: Thank you.

8 HEARING OFFICER WHARTON: Let me give you
9 some of the deadline dates or the important dates
10 here just so you have them.

11 The Staff Assessment will be out and on line
12 on Saturday, March 31st.

13 The Committee Decision will be out and on
14 line on April 2.

15 And then the Commission Decision will be
16 issued on April 4. And that's at a Business Meeting,
17 which is in the notice as the Adoption Hearing, April
18 4, beginning at 10:00 a.m. before the Commission at
19 1516 9th Street in Sacramento.

20 Based on the comments that were made, I
21 would ask the Applicant to address the following
22 issues: And if you could do this by filing with the
23 docket and also sending a copy to me at my e-mail,
24 and that would be jwharton@dgs.ca.gov. Okay.

25 Number 1, regarding the concern with the

1 airspace, if you could look into that. If you need
2 to contact the FAA or whoever, and see if you can
3 address some of that concern that was raised.

4 Number 2, with regard to the City of Chula
5 Vista, if you could meet with the City or some
6 representatives of the City to discuss the concerns
7 that the City has about the impacts, just to see if
8 there can be some dialogue begun to acknowledge and
9 perhaps address their concerns.

10 All right? And let me know if you have done
11 that.

12 Also, with regard to the operation at 5 ppm
13 as a peaker plant for the 50 years, or on a permanent
14 basis, apparently the Air District will add a
15 condition that will stay the EPA requirement, that if
16 a project -- or it will state the EPA requirement
17 requiring that if the project description changes,
18 and you want to add additional equipment or change
19 the project description in any way, you will have to
20 go back to the Air District for another evaluation
21 and review of BACT at that time.

22 MR. JONES: Okay.

23 HEARING OFFICER WHARTON: All right. With
24 regard to the comment about the number of projects in
25 the Otay Mesa area and the cumulative effect on the

1 residents, and those who are there, for various
2 reasons, could you let me know if you have given any
3 consideration to the cumulative impacts on that area,
4 to the number of plants that perhaps maybe existing
5 in that area.

6 MR. JONES: Okay.

7 HEARING OFFICER WHARTON: All right. And
8 lastly, on the question of demographics, you can let
9 me know if you have consulted with any private
10 demographic consulting firms to get more updated
11 information about the area, realizing that you did
12 use what the current census information was; however,
13 obviously, there has been quite a few changes in that
14 area over the last few years in development. Okay?

15 And I think that is it. Does anyone --

16 UNIDENTIFIED SPEAKER: The deadline for that
17 information?

18 HEARING OFFICER WHARTON: Oh, I'm sorry.
19 Yes. The deadline for that information, another date
20 for you, would be by March 30. Okay.

21 Is there anyone who needs a repeat again of
22 any 800 number or e-mail number? Okay, good.

23 MR. ELLER: I would request any information
24 on that order be provided earlier than March 30 so
25 staff could incorporate that into its analysis due

1 March 31. Thank you.

2 HEARING OFFICER WHARTON: March 30 is next

3 Friday. What do you need? March 29.

4 MR. ELLER: Tuesday or Wednesday, at the

5 latest.

6 HEARING OFFICER WHARTON: Wednesday. All

7 right.

8 PRESIDING MEMBER PERNELL: What is that

9 date, for the record -- someone?

10 MS. HARVEY: We'll provide that by Wednesday

11 the 28th.

12 HEARING OFFICER WHARTON: All right. Thank

13 you all very much. I'm going to turn this over for

14 closing back to Commissioner Pernell. Thank you.

15 PRESIDING MEMBER PERNELL: Thank you. First

16 of all, I would like to thank the City of Chula Vista

17 for their hospitality, and all of the community

18 residents that came out and stayed with us through

19 this proceedings, certainly the Applicant and staff

20 and all of the work that they have done.

21 And I also want to thank our team, which is

22 our Public Adviser, as well as our Hearing Officer.

23 We are going through this process, and this

24 is an expedited process, so it is a little bit new to

25 all of us. I think everyone has done a fantastic

1 job, and I just want to thank everyone on behalf of
2 the Commission, thank you, and if there is nothing
3 else to come before this proceedings, this
4 proceedings is adjourned.

5 (Adjourned at 8:00 O'Clock P.M.)

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1 STATE OF CALIFORNIA) ss:
2 COUNTY OF SAN DIEGO)

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5 I, Janet B. White, Certified Realtime Reporter,
6 C.S.R. No. 1879, do hereby certify:

7 That the foregoing INFORMATION HEARING AND
8 ADOPTION HEARING BEFORE THE ENERGY RESOURCES
9 CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE
10 OF CALIFORNIA, was reported by me at the time and
11 place herein set forth; was thereafter transcribed,
12 through computer-aided technology, under my direction
13 and supervision, and that the foregoing is a true
14 record of same.

15 I further certify that I am neither counsel for nor
16 related to any party to said action, nor in any way
17 interested in the outcome thereof.

18 IN WITNESS WHEREOF, I have subscribed my name
19 this 26th day of March, 2001.

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